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SUBJECT: LABOR MINISTRY ACTIONS TO COMBAT BONDED LABOR
HIGHLIGHTED IN NATIONAL CONFERENCES

REF: A: ISLAMABAD 02576

11. (SBU) Summary: The Federal Ministry of Labor, in collaboration with the International Labour Organisation and other stakeholders, hosted two conferences on bonded labor. Government officials, employers, donors and civil society came together at a December 15-16 conference in Lahore to discuss current interventions and ways forward for the elimination of bonded labor, especially in the provinces of Punjab and Sindh which display the highest incidence of bonded labor abuses. A December 21-22 Karachi conference focused on the final stages of a legislative review and the GOP's draft amendment to the 1992 Bonded Labor System (Abolition) Act. Government officials, employer organizations, NGOs, donors, judges, police and legal experts attended the review. These conferences, which brought to light GOP efforts to tackle debt labor abuses and GOP willingness to consult and collaborate with stakeholders, also indicate a need to support socio-economic empowerment programs that address bonded labor in Punjab and Sindh where there are indications of increasing militant recruitment. End Summary.

BONDED LABOR INTERVENTIONS CONFERENCE

12. (U)The Federal Ministry of Labor, in collaboration with multiple stake holders, hosted a conference on bonded labor interventions December 15 and 16 in Lahore. Attendees included representatives from federal and provincial ministries of labor and social welfare, legal advisors and representatives from Lahore and Peshawar Brick Kiln Owners Associations, the Employers Federation of Pakistan, the Pakistan Workers Federation, and the following donors and NGOs:

11. Society for the Protection of the Rights of the Child (SPARC)
12. Bhandar Hari Sanghat
13. Bunyad
14. Pakistan Institute of Labour Education and Research
15. National Rural Support Programme
16. Punjab Rural Support Programme
17. Human Rights Commission of Pakistan
18. Pak Swedish Teachers Association
19. Trocaire
110. International Labour Organisation (ILO)

13. (U) While attendees discussed interventions in both Punjab and Sindh, of central focus was the Punjab government funded project: Elimination of Bonded Labour in Brick Kilns. (Note: The highest incidence of bonded labor is found in Punjab and Sindh. After agriculture, bonded labor is most used in the brick kiln industry. End note.) Initiated at the end of 2008, this two year 1.4 million dollar GOP project has enabled nearly 11,000 workers to obtain Computerized National Identity Cards (CNICs) and has issued \$118,000 in interest-free microfinance loans to help workers pay off loans taken from employers. (Note: These are significant steps because a CNIC is the first step towards voting privileges and social security and other legal benefits. Microfinance loans also provide workers with an alternative to borrowing from the employer, thus increasing their wages. Typically a worker who has taken a loan from the employer only receives a percentage of his wages, until he has paid off all debts. End note.)

14. (U) This project also seeks to increase worker access to other welfare benefits, conduct a census of brick kiln families and provide education to workers' children. The Punjab Labour Department, through other programs, has also registered nearly 200 brick kilns and 6,000 workers to take steps to better regulate the industry. It also funds Legal Aid Service Units that disseminate labor rights awareness materials, operates a helpline and provides counseling to freed bonded laborers, registering over 150 cases in 2009.

15. (U) In addition to highlighting current initiatives, conference attendees discussed future steps toward the

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elimination of bonded labor. Stakeholders agreed it will be a lengthy process and that poverty and the socially-ingrained practice of employer lending are at the root of the problem. The Brick Kiln Owners Association and the Employers Federation of Pakistan pointed out the need to establish written work contracts and to provide more training to judiciary, police and labor officials to better detect abusive labor practices. Civil society members noted that alternative housing options could reduce laborers' vulnerability and isolation if they did not have to live on brick kiln properties. (Note: Nearly all brick kiln workers live on the property and migrate from kiln to kiln, which are typically in rural areas. End note.) Several government officials also raised the issue of laborers who use NGO and police assistance to take advantage of employers' lending by taking loans, seeking police-assisted release from the employer, and then moving on to another kiln where they repeat the practice. (Note: Police and NGOs have confirmed to PolOff that this occurs. End note.)

BONDED LABOR ABOLITION ACT LEGISLATIVE REVIEW

16. (U) The December 21-22 conference in Karachi focused specifically on the Ministry of Labor's ongoing legislative review and draft amendment to the 1992 Bonded Labor System (Abolition) Act (BLAA). Government representatives came from federal and provincial labor departments, the federal Ministry of Human Rights, and provincial home and information departments. Police and district judges also came from Punjab and Sindh. (Note: Police and judiciary are often the first-responders in cases seeking the release of bonded laborers. End note.) The Pakistan Workers Federation, the Employers Federation of Pakistan and the same NGOs and donors from the Lahore conference attended.

17. (U) Ministry of Labor efforts to draft an amendment to the Bonded Labor System (Abolition) Act stem from legislative and technical deficiencies that hinder the Act's implementation. As ILO, NGO and government officials noted, the definition of bonded labor is vague, penalties are too low, and offenses are bailable. Furthermore, the Act empowers District

Magistrates to take the lead in trying cases; however this is a position now defunct after changes to the local government structure. Most importantly, police, NGOs and government officials noted that the law does not offer realistic alternatives to the centuries-old employer lending system (locally referred to as a "paishgi" - "advance") which, combined with traditional share-cropping practices in agriculture, renders any real elimination of bonded labor in Pakistan unfeasible.

18. (U) Much of the conference centered on the debate about the advances that landowners and employers in brick kilns and other industries give to workers. (Note: Workers use these loans to finance labor activity and personal expenditures. However, due to laborers' illiteracy and lack of other assets, an employer can easily take advantage and lock families into generations of debt. End note.) Brick Kiln Owners Associations and NGOs alike stated that the paishgi system should be eliminated. Some government officials expressed resistance to a simple abolition of the system noting that an alternative lending system would become necessary and that while many might expect the government to fill that gap, realistically it might not be able to.

19. (U) While the topic of the paishgi system was not resolved, recommendations were made to amend the Bonded Labor System (Abolition) Act. Namely, the ILO and NGOs proposed raising the minimum sentencing of a perpetrator of bonded labor to two years with a minimum fine of 20,000 rupees (\$250). They also recommended transferring the District Magistrate responsibilities to the District Nazim (mayor). (Note: On-going reforms to the local government structure in all four provinces may make this recommendation obsolete. End Note) The conference finished with the Ministry of Labor stating that its National Steering Committee on Labor will meet in January to continue drafting the amendment.

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10. (SBU) Comment: These conferences demonstrate GOP and civil society dedication to address labor abuses, even at a time when the country is confronting a national security crisis and facing constant attacks on government facilities. GOP willingness to consult and collaborate with the entire array of stakeholders is a positive sign. However, while the conferences focused on the bonded labor practices taking place in Punjab and Sindh, noticeably missing from the discussed interventions were efforts to address the share-cropping and lending practices in agriculture that lead to bonded labor abuses. A lack of interventions to combat these labor abuses in the agricultural sector will be due to the fact that the brick kiln industry is easier to monitor and has government-set minimum wages under the Factory Act, while there is little government monitoring of agricultural labor. Nevertheless, there is a need to support efforts to better regulate and encourage moving away from debt labor systems, both in the brick kilns and in agriculture in Pakistan. As was raised during both conferences, the poor, illiterate populations who suffer the most are in dire need of services and programs that will provide economic and educational empowerment to ensure their social mobility that will allow Pakistan to someday be able to eradicate debt labor practices.

11. (SBU) Furthermore, USG strategic goals in Pakistan would be adversely affected if we failed to pay sufficient attention to the bonded labor abuses occurring in Punjab and Sindh. Bonded labor, especially in agriculture, is found in the very geographic areas where social safety nets are disappearing and militant extremists groups, such as Lashkar-e-Taiba, are recruiting the poor, disaffected ever-growing youth population. (Ref A) NGOs in Sindh already cite militant recruitment presence. At the same time militant groups in Southern Punjab's agricultural belt, with nation-wide networks, have recently begun to develop ties with the Taliban. Without alternatives that offer a brighter

future, the youth of Punjab and Sindh may turn away from the traditional debt-binding labor practices to the militant groups that offer them more status and prestige. End Comment.
PATTERSON